



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, BOARD OF DIRECTORS MEETING

April 22, 1994, 12:00 p.m.
UAC Offices, Salt Lake City

Members Present: Gary Herbert, Utah County Commissioner
Max Adams, Uintah County Commissioner
Gerald Hess, Davis County Deputy Attorney
Gary Sullivan, Beaver County Commissioner
Dixie Thompson, Emery County Commissioner

Members Absent: Ken Brown, Rich County Commissioner
Dennis Ewing, Tooele County Clerk
Sid Groll, Cache County Sheriff
Ty Lewis, San Juan County Commissioner

Others Present: Kent Sundberg, Utah County Deputy Attorney
Brent Gardner, UACIM Administrator
David Nelson, UACIM Loss Prevention Manager
Sonya White, UACIM Administrative Assistant
Harry Bowes, UACIM Consultant
Jess Hurtado, AIMS Vice President/UACIM Broker
Keri Chappell, AIMS Technical Assistant
Doug Alexander, AIMS Branch Manager

Gary Herbert called the meeting to order at 12:30 p.m. Ken Brown, Sid Groll and Ty Lewis requested to be excused from this meeting.

REVIEW AND APPROVAL OF MARCH MINUTES

Gerald noted the following corrections to the March 1994 minutes: In the last paragraph on page three, will meet should be replaced with just meet. In the first paragraph on page four, necessary should be replaced with necessarily. In the first line on page five, delete of from the phrase of counties. A motion was made to approve the March 1994 minutes with the noted corrections. The motion was seconded and carried.

Discussion was open on additional items from the March 1994 minutes. Gerald questioned whether Brent and Jess had audited Grand County's Special Districts as requested by the Board on page four of the Broker's report. The Board had agreed that this was a high-priority item and that this request should be completed and ready to report on at the next meeting. Brent explained that the UAC Executive Committee did visit Grand County and a background of the Mutual was given for those new Council Members. Brent felt this was necessary before doing the audit, which will be scheduled.

Gerald questioned whether Gary DeLand was invited to this meeting to answer question or concerns regarding the jail standards revisions as mentioned on page three. Brent explained that this invitation was put on hold to discuss whether Gary DeLand should meet with the Sheriff's and the Litigation Management Committee initially to see how much *fine tuning* is needed before meeting with the Board. Gerald will schedule a meeting date with Gary DeLand, the Sheriffs and the Litigation Management Committee.

Gerald questioned whether the Boiler & Machinery Coverage quotation information was sent to the member counties. Keri replied that the information was sent on March 29, 1994, and that AIMS received a lower quote with Travelers Insurance Group than with CHUBB Insurance Company that had been discussed at the last meeting. (See Attachment #1)

1992 CANCELLATION EXPENSE DISBURSEMENT

Gary Herbert reviewed with the Board the letters received from Ross Raspopovich and Jess Hurtado (See Attachments #2 & #3) regarding the budgeted 1992 cancellation expense reserved to help member counties that were penalized for withdrawing coverage from their prior insurance carrier to join the Mutual. There has not been any disbursement made from this allocation. A motion was made to draft a letter to the member counties giving them a deadline of May 31, 1994, to submit reimbursement on this cancellation expense reserve. After the deadline expires, UACIM will eliminate this balance sheet liability. The motion was seconded and carried. (See Attachment #4)

LOSS SUMMARY & FINANCIAL STATEMENTS REVIEW

Brent reviewed the Loss Summary Reports explaining that the reports are broken down by county and by line of insurance beginning with the 1992 policy year. Brent explained total claims filed, paid-to-date and total incurred per line of insurance. Total incurred for 1992 is \$720,661, which is approaching the attachment point of the \$850,000 loss fund. This amount is getting high enough to raise the Board's concern.

Brent reviewed the increase in automobile claims for 1993 and the importance of getting this increase under control as discussed in the March 1994 Board meeting. Total claims filed for 1993 was 295 compared to 262 in 1992.

Brent noted total claims filed for 1994 is 72 with a total incurred of \$199,177. The total over the three years is 629 claims filed with total incurred at \$2,087,580 but actual paid-to-date is \$889,258. Brent addressed the trend in automobile claims, the frequency and size of claims in liability and the steady increase in legal costs. Jess added that the Board must be continually vigilant on civil rights because unlawful terminations and other civil rights matters are not protected by governmental immunity.

The Board requested that David oversee the new Loss Prevention Teams in that they are reading the monthly loss reports and passing the information on to the county employees. Jess suggested the formation of a committee to review the loss information and determine what patterns are developing. The Board requested Sonya to assemble spreadsheets and graphs of the loss information for review at the next Board meeting before forming a committee.

Brent reviewed the financial statements through March 31, 1994, making note of the total assets of \$4,647,921, total liabilities \$3,212,585 and total surplus funds of \$1,435,336. There is one outstanding premium yet to collect. Discussion was made at the membership meeting regarding a policy on late premium payments in which the membership had no objections to the adoption of this policy.

Brent reviewed the budget vs. actual figures for policy year 1994 compared to 1993 and 1992, noting that UACIM has a larger proportion over budget for 1993 and 1994 than in 1992 mainly due to the increase in reserves. A motion was made to accept the Loss Summary and Financial Statements as presented. The motion was seconded and carried.

COMPLAINT TO UTAH INSURANCE COMMISSIONER

Brent and Kent discussed with the Board a complaint from the Box Elder County Attorney filed with the Insurance Department regarding a coverage issue where there was no complaint for money damages. The Litigation Management Committee's recommendation to the Board was that this claim had nothing to cover. The Board was assured that an independent law firm reviewed the UACIM policy relating to this specific Box Elder County claim. Their opinion was that the claim did not merit coverage under the policy and therefore a response was filed to the Insurance Department who, in turn, agreed with UACIM. The LMC is discussing taking a chronological synopsis of the events in this claim to the Box Elder County Commission so the basis of this denial is understood.

LOSS PREVENTION REPORT

A. County Response on Personnel Policy and Procedures/High Speed Pursuit
David reported that all the member counties have responded to the questionnaire (See Attachment #5) in which he has sent sample policies and recommendations to those counties who do not have a policy in place or their policy was outdated. David has been unable to get any commitment from Garfield and Juab Counties to adopt a High Speed Pursuit Policy. The Board directed David to continue pursuing this matter by contacting the county sheriffs and to enlist any assistance from the Board.

B. County Loss Prevention Teams. David stated that the county Loss Prevention Teams will be a big help in the loss prevention efforts around the state and that he had already had a training meeting with the Uintah County team. Those counties yet to notify David who is on their team are Beaver, Emery, Piute, Tooele and Wayne. An all-day training meeting will be scheduled for all the teams in a centralized location. David will also be meeting with the county team whenever he meets with a county for their risk review. The Board felt it would be helpful if members of the Board met with those counties, who have not appointed a team, to explain this program and the potential benefits and that UACIM is not trying to give the counties more work but rather trying to cut down on losses by educating the counties.

C. Loss Prevention Program. Upon recommendation of the Board, David rewrote the 1994 Loss Prevention Program and reviewed his goals and objectives. David requested the Board to examine this program and contact him with any critiques or changes. (See Attachment #6) A memorandum was also reviewed with the Board (See Attachment #7) for compliance assistance of loss prevention recommendations. David suggested the Board may want to adopt an incentive for compliance to attend training, comply with recommendations, etc. The Board had many questions and suggestions in this regard that discussion was tabled until the next meeting.

LITIGATION COMMITTEE & CLAIMS REPORT

A motion was made for the Board to go into Executive Session to discuss the Litigation Management Committee and Claims Report. The motion was seconded and carried.

A motion was made for the Board to come out of Executive Session. The motion was seconded and carried.

A motion was made to settle claim number 801EME937008 in the amount of \$25,000.00. The motion was seconded and carried.

A motion was made to settle claim number 801JUA947001 in the amount of \$26,739.04. The motion was seconded and carried.

A motion was made to settle claim number 801SAJ927012 up to an amount of \$50,000.00. The motion was seconded and carried.

Max Adams asked to be excused.

Dennis Ewing called from Utah County, where this meeting was previously scheduled. He asked to be excused.

BROKER REPORT

UDOT Requirements on Out-of-State Coverage. At the general membership meeting the subject of Kane County transporting people across state lines had been discussed. Keri researched the situation & found that the Federal Highway Administration states that if you are transporting anyone across state lines, you are required to have \$1,500,000 liability insurance, UACIM has \$1,000,000, and if you are using a 16 passenger bus or larger you are required to have \$5,000,000, which is Kane County's situation. Keri called Washington D.C. and was told that they are currently lobbying to get counties exempt from this requirement which is a nationwide problem and that they would keep her updated on this situation.

CONSULTANT REPORT

Harry stated that with the help of Sonya, they had one quarter of the Safety Manual scanned and on disk which he will begin revising for UACIM needs.

The Colorado Counties Property & Casualty and Worker's Compensation Pool have offered a fee of \$6,000 per year for access to their full library in which anything requested would be furnished for only the cost of postage. Harry was a little disappointed that a flat fee was offered instead of a per request fee.

Harry distributed a listing of actions taken by the Board since the formation of UACIM, pursuant to the Board of Directors official minutes. The Board directed that this listing be included with the minutes from this meeting (See Attachment #8) to be reviewed by the Board of Directors and discussed at the next meeting. Harry also, encouraged the Board to set aside a full day to review the UACIM and set goals and priorities for the UACIM with the member commissioners and insurance coordinators in attendance.

Harry distributed a list of the *Ten Advantages of the Mutual*. (See Attachment #9) A suggestion was offered that the Board may want to put together a professional public relations packet explaining what the UACIM is and what it does.

Harry brought to the Board's attention previous discussions regarding UACIM's policy on special districts and noted the policy statement adopted effective December 31, 1992. (See Attachment #10) The Board tabled discussion until next meeting.

OTHER BUSINESS

Brent and David proposed to the Board a new company vehicle for David who has acquired 60,000+ miles in his county travels on the vehicle he is now using. UACIM has budgeted \$11,000 for a vehicle for the Loss Prevention Manager. After extensive discussion of this matter and without a quorum, the Board decided to have Brent and David discuss the situation with those Board Members not present before the end of May when the state purchasing ends their vehicle orders for 1994.

A concern was brought up regarding the Board attendance to these meetings and not being able to get the work done without a quorum. Jess noted that New Mexico's Board meetings last almost all day and that none of the members leave during the meeting. At the beginning of their meetings, they discuss any member's absence and vote on whether it is an excusable absence. Members are only allowed two excusable absences during the year. The Board agreed that Sonya should call each Board Member at least two days prior to each meeting reminding them of the meeting and obtain a commitment from them to attend. Discussion of adopting a Board Attendance policy will be on the agenda for the next meeting.

Sid Groll will be attending the PRIMA Annual Conference, May 15-18, 1994.

The next Board of Directors meeting will be held on June 9, 1994, in Utah County.

Gary Herbert called for adjournment until June 9.



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

**UAC INSURANCE MUTUAL
MINUTES, BOARD OF DIRECTORS
EXECUTIVE SESSION**

April 22, 1994, 12:00 p.m.
UAC Offices, Salt Lake City

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Members Absent: Dennis Ewing, Tooele County Clerk
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Harry Bowes, UACIM Consultant
Jess Hurtado, AIMS Vice President/UACIM Broker
Keri Chappell, AIMS Technical Assistant
Doug Alexander, AIMS Branch Manager

Executive session was held to discuss the Litigation Committee and Claims Report.

Agenda

UAC INSURANCE MUTUAL BOARD OF DIRECTORS MEETING

April 22, 1994, 12:00 p.m.

*UAC Offices
4021 South 700 East, Suite 180
Salt Lake City*

12:00 PM

Luncheon

AGENDA TOPICS

12:30 PM

Call To Order

Gary Herbert

Review and Approval of March 1994 Minutes

Gary Herbert

1992 Cancellation Expense Disbursement

Gary Herbert

Loss Summary & Financial Statements Review

Brent Gardner

Complaint to Utah Insurance Commissioner

Brent Gardner
Jess Hurtado

Loss Prevention Report

David Nelson

a. County Response on Personnel Policy and
Procedures/High Speed Pursuit

b. County Loss Prevention Teams

c. 1994 Loss Prevention Program

Broker Report

a. UDOT Requirements

Jess Hurtado

b. Out of State Coverage (Kane County)

Keri Chappell

Consultant Report

Harry Bowes

a. County Safety Manual

Litigation Committee & Claims Report

Kent Sundberg
Doug Alexander

Other Business

Gary Herbert

Date for Next Meeting

Gary Herbert

Adjourn

Gary Herbert

Aon Insurance Management Services, Inc.
2180 South 1300 East - Suite 500
Salt Lake City, Utah 84152-6259
801/488-2650

ATTACHMENT #1

Facsimile: 801/488-2559



DATE: March 29, 1994

TO: UAC Insurance Mutual Member Counties

FROM: Keri Chappell, Account Executive
Aon Insurance Management Services, Inc.

SUBJECT: Boiler & Machinery Coverage

Many counties have raised the question concerning Boiler & Machinery coverage. The UAC Insurance Mutual, nor its excess policies provide coverage for any loss, or damage to /or resulting from Boiler & Machinery Equipment.

I would suspect that all counties have this exposure, and some of you may already have coverage through your local broker. However, for those counties that are not currently purchasing Boiler & Machinery coverage Aon Insurance has obtained a quotation through the Travelers Insurance Group. Travelers has agreed to issue a master policy for all counties with an individual copy issued to each member county for use and reference. Counties have the option of adding coverage at any time and for those counties that currently have existing coverage and wish to move can be added when existing coverage expires.

Attached you will find the coverage and limits provided for each county and the annual premium cost.

If upon your review, should you have any questions or if your county has an interest in this, please contact me at 1-800-759-2001.

**BOILER & MACHINERY EQUIPMENT
COMPREHENSIVE COVERAGE****The Travelers Insurance Company****COVERAGE & LIMITS:**

Limit per Accident	\$10,000,000 (No Aggregate)
Expediting Expenses:	Part of Policy Limit
Business Income:	Part of Policy Limit
Extra Expense	Part of Policy Limit
Spoilage	\$25,000

Hazardous Substance:	\$25,000
Ordinance or Law:	\$1,000,000
Media	\$25,000

Included in policy limit:	
Off Premises Service Interruption	Brands and Labels
Newly Acquired Locations	Error in Description
Ammonia Contamination	Water Damage:

ADDITIONAL COVERAGES:

Repair or Replacement - Included
In Use Connected Ready for Use Amended
New Generation - can pay up to 25% additional for repaired objects
Liberalization
Computer Equipment
Joint Loss Agreement
Testing coverage Amended
Extended Business Income
Amended 24 hour accident notification clause

DEDUCTIBLES:

Damage to Covered Property:	\$2,500
Business Income & Extra Expense:	12 hours

ANNUAL PREMIUM:**Beaver County: \$ 378.**

**CHUBB GROUP OF INSURANCE COMPANIES**

6400 South Fiddler's Green Circle, Suite 1600, P. O. Box 6520, Englewood, CO 80155-6520
Phone: (303) 770-8700

March 10, 1994

Rollins Hudig Hall
2180 South 13th East, Suite 500
Salt Lake City, UT

Attn: Keri Chappell

Re: Utah Association of Counties
Boiler & Machinery Policy New Line Quote
Great Northern Insurance Company

Dear Keri:

We are pleased to quote the Mechanical and Electrical
Breakdown coverage for Utah Association of Counties.
Policy limits and coverages are being offered as follows:

COMPREHENSIVE COVERAGE INCLUDING PRODUCTION MACHINERY

Limit per Accident	\$10,000,000
Direct Damage Deductible	1,000

Extra Expense Limit	100,000
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24 Hour Waiting Period

Period of Restoration: 40/80/100%

Annual Premium: \$54,598.

Our quote includes a 15% commission and is valid for 30 days
from the date of this letter.

Thank you for giving me the opportunity to quote this
account. If you have any questions, comments, or if you want
to discuss the proposal, please give me a call.

Sincerely,

Tim A. Cunningham
Applied Technologies Department

TAC/sm

UTAH ASSOCIATION OF COUNTIES
Breakdown per County

1) Beaver	\$ 505 *
2) Box Elder	1,526
3) Cache	2,997
4) Davis	9,196
5) Duchesne	2,609
6) Emery	1,711
7) Garfield	682 *
8) Grand	2,670
9) Iron	4,955
10) Kane	508 *
11) Millard	2,584
12) Piute	111 *
13) Rich	128 *
14) San Juan	2,478
15) Sanpete	888 *
16) Sevier	616 *
17) Tooele	4,072
18) Uintah	3,190
19) Utah	9,247
20) Wasatch	960 *
21) Washington	2,573
22) Wayne	392 *
	<hr/>
	\$54,598.

* Individual Policies are subject to
a \$1,000 Minimum Annual Premium.

Facsimile: 801/488-2559



RECEIVED MAR 30 1994

March 29, 1994

Mr. L. Brent Gardner
Administrator
UAC Insurance Mutual
4021 South 700 East, Suite 180
Salt Lake City, Utah 84107

Re: Cancellation Expense (1992)

Dear Brent:

Attached you will find a letter to me from Ross Raspopovich concerning the 1992 Cancellation Expense. As of today, it does not appear that any dispersement has been made from this allocation. This may be a good time to consider setting a deadline, as per the correspondence, in order to eliminate this balance sheet liability and move the money into the loss fund.

Please let me know if you have any questions.

Respectfully,


JESS A. HURTADO
Vice President

100

100

100

100

100

100

ATTACHMENT #3

Aon Insurance Management Services, Inc.
123 North Wacker Drive - 17th Floor
Chicago, Illinois 60606
312/701-4133

Facsimile: 312/701-4123



March 29, 1994

Mr. Jess Hurtado
Utah Association of Counties
2180 South 1300 East, Suite #500
Salt Lake City, Utah 84106

Dear Jess:

As of February 28, 1994 financial statements there is an outstanding item on the balance sheet that we suggest be cleared. Utah Association of Counties Insurance Mutual presently as a liability of \$25,000 for cancellation expenses. We suggest the board set a deadline, perhaps May 31, 1994 for members to request reimbursement for these expenses. After the deadline expires, Utah Association of Counties Insurance Mutual could eliminate this balance sheet liability.

If you have any questions feel free to contact me at (312) 701-4013.

Sincerely,

A handwritten signature in black ink that reads "Ross Raspopovich". The signature is written in a cursive, flowing style.

Ross Raspopovich
Manager, Financial Services



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

MEMORANDUM

DATE: May 12, 1994
TO: All UACIM Insurance Coordinators
FROM: L. Brent Gardner
RE: 1992 Cancellation Expense Disbursement

In the 1992 UACIM budget, an amount was allocated to reimburse those member counties who received a cancellation expense from their prior insurance carrier upon joining the UACIM. This amount has been carried into the 1993 and 1994 budget with no reimbursement to any member county.

The UACIM Board of Directors have set a deadline of **May 31, 1994**, for any member county to submit their cancellation expense for reimbursement.

Please feel free to contact me with any questions or concerns.

xc: UACIM Board of Directors
Jess Hurtado, UACIM Broker
Harry Bowes, UACIM Consultant
Ross Raspopovich, AIMS Financial Services

COUNTY	UACIM MEMBER COUNTY QUESTIONNAIRE						Date Reply Received
	Personnel Policy & Procedure Manual		County Employee Private Vehicle Use		"High Speed" Pursuit Policy		
	YES	NO	YES	NO	YES	NO	
BEAVER	✓		✓		✓		3/14/94
BOX ELDER	✓		✓		✓		1/11/94
CACHE	✓		✓		✓		1/10/94
DAVIS	✓		✓		✓		1/18/94
DUCHESNE	✓		✓		✓		1/10/94
EMERY	✓			✓	✓		1/10/94
GARFIELD	✓		✓			✓	1/10/94
GRAND	✓		✓		✓		1/13/94
IRON	✓		✓		✓		1/12/94
JUAB	✓		✓			✓	1/12/94
KANE	✓		✓		✓		1/13/94
MILLARD	✓		✓		✓		1/12/94
PIUTE	✓		✓		✓		1/18/94
RICH	✓		✓		✓		3/14/94
SAN JUAN	✓		✓		✓		1/19/94
SANPETE	✓		✓		✓		1/12/94
SEVIER	✓		✓		✓		1/13/94
TOOELE	✓		✓		✓		1/11/94
UINTAH	✓		✓		✓		1/13/94
UTAH	✓		✓		✓		1/21/94
WASATCH	✓		✓		✓		1/18/94
WASHINGTON	✓		✓		✓		1/24/94
WAYNE	✓		✓		✓		1/10/94

NOTE: Piute County- Personnel Policy & Procedure Manual updated to "yes" on 4/20/94.
 San Juan County- "High Speed" Pursuit Policy updated to "yes" on 4/20/94.
 Wayne County- Personnel Policy & Procedure Manual updated to "yes" on 4/20/94
 and "High Speed" Pursuit Policy updated to "yes" on 4/21/94.

1994 UACIM LOSS PREVENTION PROGRAM

⇒GOALS AND OBJECTIVES⇒

It is the objective of the UACIM Loss Prevention Program to involve all member counties in the following loss prevention activities:

1. Risk Review: On site evaluation of member county facilities, activities and procedures. The intent is to discover exposures that could lead to potential loss or injury. As a result of this review, recommendations meant to correct and/or eliminate these exposures will be issued in writing to the reviewed county commission. An "exit interview" will be conducted with the county commission and/or the UACIM Insurance Coordinator to discuss recommendations prior to leaving the county. Verification will also be made as to the status of previously issued recommendations.
2. Training: As in the past, training and information updating in risk management and/or loss prevention will be given to each member county at the time of scheduled risk reviews. During 1994 the following training will also be made available:
 - UACIM County Insurance Coordinator training (tentatively set for the UAC November Conference in St. George.
 - Vehicle and Road Maintenance Equipment Usage training (being set up with T² of Utah State University and Equipment Manufacturers). This training will be conducted on a regional basis during the year.
 - Sexual Harassment and related civil rights issues will be conducted on a regional basis during the year.
 - Personnel Discipline and Wrongful Termination training will be conducted on a regional basis during the year.
3. Newsletter: The UACIM *Mutual Matters* Newsletter is published quarterly with articles and Loss Prevention information of interest to member counties.
4. Self Inspection: Initiate and implement this new program meant to involve member counties in self evaluation and improvement.
5. Consulting: Continue to consult and advise member counties on Loss Prevention issues.
6. Loss Trends: In an effort to more accurately direct Loss Prevention activities, emphasis will be placed on watching the loss trends and to react accordingly.
7. Loss Prevention Committees: The Personnel and Law Enforcement Committees, will meet bi-monthly to discuss and recommend Loss Prevention needs.

8. Recommendation Compliance: Situations or circumstances which are noted on county risk review visits and which have the potential for imminent loss will be handled on an immediate need basis. Use will be made of any or all county/UACIM officials to eliminate the exposure. Other noted recommendations will be weighted as to order of priority for completion, urgent or important. The following schedule of events will be used to insure compliance of recommendations issued to member counties:

- a. Issue recommendation letter to the evaluated county commission chairperson and the UACIM Insurance Coordinator within 10 days of the evaluation.
- b. Issue a follow-up letter to the county if no reply within 30 days of the original recommendation letter.
- c. Refer the county and/or any incomplete recommendations to the UACIM Board of Directors if there is a negative reply or no reply from the county within 60 days of original recommendation letter.



MEMORANDUM
MEMORANDUM

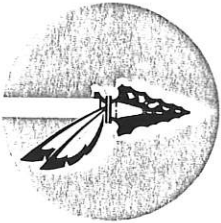
DATE: April 22, 1994

TO: UACIM Board of Directors and Administrator

FROM: David L. Nelson, UACIM Loss Prevention Manger

SUBJECT: Loss Prevention Recommendations Being Referred for Compliance Assistance

-
1. Uintah County - Defensive Driving Training (see attached).
 2. Garfield county - "High Speed" Pursuit Policy (negative response).
 3. Juab County - "High Speed" Pursuit Policy (negative response).
 4. Beaver County - Recommendations 93-1 through 93-20 (no response to original letter or follow-up letter).
 5. Wasatch County - Recommendations 93-1 through 93-22 (no response to original letter or follow-up letter).



UINTAH COUNTY

STATE OF UTAH

Our past is the nation's future.

COMMISSIONERS:

Max D. Adams
Lorin F. Merrell
H. Glen McKee
ASSESSOR - Lorin T. Merkley
ATTORNEY - Harry H. Souvall
CLERK/AUDITOR - Pat S. McNeill
RECORDER - Randy J. Simmons
TREASURER - Donna Richens
SHERIFF - Lloyd D. Meacham
SURVEYOR - Nelson J. Marshall

September 9, 1993

David L. Nelson, Loss Prevention Manager
Utah Association of Counties Insurance Mutual
4021 South 700 East, Suite 180
Salt Lake City, Utah 84107

Re: Defensive Driving Course

Dear Dave:

In response to your letter of August 31st, wherein you requested from us a status on participation in the above referenced, I have reviewed the matter with the Commissioners.

The majority of the Commission has directed me to inform you that Uintah County is not willing at this time to participate in the program. The concerns were centered around the direct and indirect costs involved in requiring all driving employees to take the course.

There may be a time in the future when this position can be reviewed again. Several alternatives could possibly be developed which would be more favorable.

Thank you for your concerns and assistance with this issue.

Sincerely Yours,

Dale W. Cameron
Insurance Coordinator

DWC:pc

copy: Commissioners

MEMO TO: Brent Gardner
UACIM Board of Director

FROM: Harry P. Bowes

DATE: April 15, 1994

RE: Official Minutes for UACIM from December 1991 through
March 31, 1994.

I have been requested by the Board and Executive Director to review all previous minutes and to maintain "a log of policy and precedent decisions" promulgated by the Board.

1. 1/23/92--Membership meeting.

****Policy-new member counties be given 120 day to complete a safety audit to evaluate their "Status of Risk."

2. 1/92--This was noted as an informal meeting with actions to be ratified at a later date. There is no date on the minutes, but from the subject matter it appears to be minutes of the January 1992 Organizational Meeting.

****Adopted bylaws "with deletion of section 17.6.; deleting the introductory clause and replacing it with a clause which recognizes that the initial Bylaws are adopted by the Board and do not constitute an inter-governmental agreement, and that the initial Bylaw will be replaced with the Bylaws previously approved by the member counties effective upon adoption by each member with a resolution ratifying those approved Bylaws with the exception of section 17.6 and making corresponding changes throughout the initial Bylaws to reflect the above changes."

****"Following a discussion of a resolution limiting the coverage of the Mutual, the Board unanimously passed a motion to approve Resolution No. one, Series of 1991, regarding Mutual coverage for 1992, including an attached Certificate of Participation."

****Subordinated Debentures be paid at all interest actually earned on the unpaid balance plus one percent (1%) annually.

****Contributions for 1991 be set at current verified premiums paid plus expected losses on file with the State Insurance Department.

3. 2/20/92--Board Minutes.

****Member County Commissioners be encouraged to attend meetings of UACIM Board of Directors.

4. 3/19/93--Board Minutes

****Insurance Commissioner requested monthly financial statement from the Mutual. NOTE: Bowes stated that this demand should be reviewed after a trend develops so that the Mutual will be treated "on a level playing field" with like Utah operations.

5. 4/8/92--Board Minutes

****Utah Association Loss Control Officer shall be provided the same benefits of UAC employees and serve at the pleasure of the Board.

****President of UACIM should sign all documents.

6. 5/21/92--Board Minutes

****Vehicle to be purchased for Loss Prevention Officer.

7. 6/18/92--Board of Directors Minutes.

****Mutual will not extend coverage to its members for Fair Labor Standards Act claims.

****UACIM continue to encourage cooperation and communication among western state county associations regarding state association insurance pooling operations. Note: There were amendments, but not noted.

8. 7/29/92--Board of Directors Minutes.

****All special districts be covered where commissioners serve as governing body--effect December 31, 1992.

9. 9/30/92--Board Minutes.

****Precedent decision not to refund premiums for duplicate coverage.

****Review of claims by the Board of Directors to be increased from \$5000 to \$10,000.

****Decision on paying defense costs for inverse condemnation was deferred.

10. 11/11/92--Semi-Annual Membership Meeting.

****The equity for each county in the surplus is kept separate

from year to year.

****Special District coverage policy was handed out by the Board of Directors. Counties with questions about any of their districts should immediately contact UACIM for clarification.

****Policy was adopted stating that UACIM would cover legal defense costs up to \$50,000 shared equally by the county and UACIM. The county is to reimburse UACIM upon completion of the case.

11. 11/11/93--Board of Directors Minutes

****Board authorized Mr. Ewing and Ms. Thompson to sign quarterly reports for the insurance department.

****Board authorized UAC Executive Director to select an independent auditor

****Board granted permission for RBH (presently known as Aon) to offer special events coverage through the Mutual as an add-on coverage to the basic policy, but to keep the Board informed as to the number of counties that purchase the additional policy.

12. 1/13/93--Board of Directors Minutes.

****The Board determined that all counties would participate in the cost and the standards for the county jails.

****The Board authorized that UAC vehicles may be insured through UACIM at the same premium that they are paying at this time.

13. 3/26/93--Board of Directors Minutes.

****Approval was given to the broker to offer Tulip Coverage (provide insurance coverage to third parties using county facilities) and Rodeo Coverage (written on an individual basis) in the Mutual coverage.

****Authorized letter to all member counties that if any counties failed to respond to requested list of covered Special Districts, it would be assumed that none exist.

14. 4/14/93--Board of Directors Minutes.

****Aon was authorized to explore surety bond coverage for the Mutual.

****The Board authorized the appointment of an advisory committee to study a rating formula for the Mutual.

****The Board authorized Coopers & Lybrand for actuarial services for the Mutual.

****Aon was authorized to provide volunteer insurance coverage for the Mutual members.

15. 6/11/93--Board of Directors Minutes.

****Al Stein, Aon, and Susan Griffith, UACIM attorney, were authorized to present UACIM case to the State Department of Insurance.

16. 8/12/93--Board of Directors Minutes.

****The Board determined to postpone using a rating formula and approved a 5% premium increase.

****Upon recommendation of the Litigation Management Committee, the Board adopted the following policy:

(1). that if any county in the mutual is sued on the basis of Utah Statute 63-30-32, failure to annually bid their insurance premiums, that the mutual intervene and help defend a lawsuit and,

(2). that UACIM approach the legislature to clarify this problem and possibly amend 63-30-32 to exempt governmental entities that are part of insurance mutual or pools and

(3) that UACIM annually bid its excess insurance in the market place to comply with 63-30-32.

****The Board requested that Aon Insurance Management Services (AIMS) provide the mutual with renewal figures no later than September 15 and the excess liability quotes for property and liability no later than October 1.

****The Board determined that broker's fees and the administrative fee would be broken out (paid) over a quarterly basis as it is earned.

17. 9/29/93--Board of Directors Minutes.

****The Board determined to refund Emery County for the premium paid for a special fire district that had been switched to its own independent coverage.

****The Board authorized and appointed an advisory committee to study the implementation of Workers' Compensation coverage for the Mutual.

****The Board authorized that the Board President and Vice-president be signatories for the corporate account for the First Security Bank Accounts.

****The Board authorized the conducting of sexual harassment

training in Millard County.

****The Board authorized that UACIM defense attorneys be notified that they should not be representing plaintiffs against the Mutual if they wish to remain on the UACIM defense attorneys' list.

18. 3/11/94--Board of Directors Minutes.

****The Board authorized the UAC consultant to pursue the formulation of a loss prevention/safety manual for counties.

****The Board authorized that a complaint be filed with the State Insurance Department if negativity and misinformation continues from certain independent insurers. Gardner and Hurtado were requested to make a determination. Further it was requested that the actual proposals submitted to two member counties be used as a factual basis to file this complaint.

****The Board directed that a policy be set regarding delinquent premium payments by county members.

****The Board directed that a letter be written to all Mutual members advising them that of the conditions and exclusions regarding airport liability.

****The Board directed that all Mutual members be advised that repairs that are made prior to authorization by the UACIM Claims Administration will be denied effective July 1, 1994. It was further directed that the counties be directed to acknowledge receipt of this letter July 1, 1994.

****The Board authorized Aon to inform the Mutual members of the quote from CHUBB Insurance Company for Boiler & Machinery coverage and to request that the counties review and response regarding their interest.

****The Board authorized Aon to file an IRS return for the Mutual at no charge.

***The Board authorized that in identified emergency situation by the Claims Administrator that a majority of the Executive Board or a majority of the Board of Directors may give authorization over the phone for claims \$10,000 or more and that they be ratified at the following scheduled Board meeting.

NOTE: When making policy decisions it is recommended to always check the full text of the original minutes and resolutions.

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

April 1994

TEN ADVANTAGES OF THE MUTUAL

1. IMPROVED COVERAGES: High self insured retentions and the market strength of a large group affords leveraged buying power securing needed coverages often excluded by the convention market sources. Two policies replaced hundreds of policies.
2. STABILITY OF COVERAGE AND COST: Because the Mutual handles all expected losses through its self insurance, the excess insurance products tend to be loss free, resulting in greater stability and availability by during cyclical downturns.
3. LOSS AND CLAIM CONTROL: Dedicated and experience claims adjusters with specialized knowledge of county risks proves more efficient claim administration and cost reduction.
4. SAFETY AND LOSS PREVENTION: Control and focused attention to problem areas eliminates unnecessary losses and claims, further reducing costs.
5. HOMOGENEITY OF MEMBERSHIP: A matured database from risks of similar elements make predictability more reliable when dealing with underwriters and actuaries. Common risk/loss data also makes it possible to target loss prevention efforts.
6. COST SAVINGS: Approximately 20% of the insurance industry costs such as commissions, advertizing, overhead, profit, etc. are eliminated from the self-insured portion of coverages. These savings permit additional dollars to be allocated to other cost saving efforts such as dedicated claims adjustment and loss prevention.
7. ACCOUNTABILITY AND CONTROL: Since members set policy and rules tailored to their needs they manuscript the Mutual's coverage. The industry policies for individual public entities usually are so to speak "off the rack with one size fits all."
8. OUTSIDE SERVICES: Needed services such as legal, actuarial, financial, loss prevention, and claims can be specialized and limited or expanded to actual needs.
9. SURPLUS: Excess funds are retained for the benefit of the Mutual members and does not go to profit or stockholder dividends as with commercial carriers.
10. INVESTMENT INCOME: Investment of reserve funds produces income retained for the benefit of the membership.

SENT BY:

; 4-19-94 ; 1:32PM ;

R B H→ 160053913037454877;# 2

UAC Insurance Mutual

4021 South 700 East, Suite 180
Murray, Utah 84107
Phone 265-1331 Fax 265-9485

POLICY STATEMENT
SPECIAL DISTRICTS
November 11, 1992

Ord Minutes of 7/29/92

In this first year of operation, the Mutual has received numerous inquiries from member counties concerning coverage for Special Districts, Organizations and/or Inter-Local Agreements.

Due to the separate financial and management structure of many of these entities, the Mutual has issued the following policy statement:

Special Districts, Organizations and/or Inter-Local Agreements may be included in the UAC Insurance Mutual County Program only where the County Commissioners or County Council serve as the governing body.

This policy statement is effective December 31, 1992.

